



Plenary sitting

A8-0052/2017

3.3.2017

RECOMMENDATION

on the draft Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Federative Republic of Brazil pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of the Republic of Croatia in the course of its accession to the European Union
(13037/2016 – C8-0490/2016 – 2016/0307(NLE))

Committee on International Trade

Rapporteur: José Ignacio Salafranca Sánchez-Neyra

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION.....	5
EXPLANATORY STATEMENT.....	6
PROCEDURE – COMMITTEE RESPONSIBLE.....	7
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE.....	8

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the draft Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Union and the Federative Republic of Brazil pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of the Republic of Croatia in the course of its accession to the European Union (13037/2016 – C8-0490/2016 – 2016/0307(NLE))

(Consent)

The European Parliament,

- having regard to the draft Council decision (13037/2016),
 - having regard to the draft Agreement in the form of an Exchange of Letters between the European Union and the Federative Republic of Brazil pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of the Republic of Croatia in the course of its accession to the European Union (13038/2016),
 - having regard to the request for consent submitted by the Council in accordance with the first subparagraph of Article 207(4) and Article 218(6), second subparagraph, point (a)(v), of the Treaty on the Functioning of the European Union (C8-0490/2016),
 - having regard to Rule 99(1) and (4) and Rule 108(7) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on International Trade (A8-0052/2017),
1. Gives its consent to conclusion of the agreement;
 2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the Federative Republic of Brazil.

EXPLANATORY STATEMENT

With the accession of the Republic of Croatia, the EU enlarged its customs union and was therefore required in compliance with WTO rules (Article XXIV:6 of the GATT 1994) to enter into negotiations with the Federative Republic of Brazil regarding the tariff schedule of Croatia in order to eventually agree on a compensatory adjustment connected to the EU-28 as the EU's external tariff regime results in an increase of tariffs for Brazil.

Negotiations with Brazil resulted in a draft Agreement initialled on 12 July 2016 and signed on 25 November 2016.

Through this Agreement, the EU will incorporate in its schedule for the customs territory of the EU-28 that of the EU-27 with modifications related to tariff rate quotas on raw sugar and poultry meat. In connection to the Agreement, the European Commission is also preparing an implementing Regulation regarding several tariff rate quotas (TRQs).

Raw sugar: According to Commission, Brazil was Croatia's main supplier of raw cane sugar: on average Brazil had around 98% market share during the reference years 2009 until 2011. Croatia's bound WTO duty rate on raw cane sugar was 10% + 177 EUR per tonne, representing an *ad valorem* equivalent of around 50%, whilst the EU bound WTO duty rate on raw cane sugar is 339 EUR per tonne representing an *ad valorem* equivalent of about 80%. In the end in order to re-balance the situation after the accession of Croatia, the two parties agreed for a compensation of 114 000 tonnes, 78 000 tonnes of which were allocated to Brazil (tariff items 1701 13 10 and 1701 14 10) maintaining the present in quota rate of 98 EUR per tonne. This latest portion will be subject to an autonomously applied rate of 11 EUR per tonne during a limited transitional period of six years and 54 EUR per tonne in the seventh year. It is important to recall that the transitional rate has been pivotal to keep down the overall volume agreed.

Poultry and turkey meat: As a consequence of the enlargement to Croatia, the duties to be paid within the EU in-quota by Brazil remain higher than the duties paid before the enlargement for two products which were negotiated: "Cut of fowls of the species gallus domesticus frozen" (tariff items 0207 14 10, 0207 14 50, 0207 14 70) and "Cut of turkey frozen" (tariff items 0207 27 10, 0207 27 20, 0207 27 80). The two parties negotiated to adjust the volume of the TRQs allocated to Brazil, adding respectively 4 766 tonnes maintaining the present in quota rate of 0%.and 610 tonnes maintaining the present in quota rate of 0%. The Rapporteur considers that the European Parliament should grant its consent to the conclusion of the Agreement. Even if the agreement is not about new concessions but compensations, the rapporteur wants to stress the sensitiveness of the products under consideration for the whole EU agricultural sector which has arisen some concerns. The relevant sectors have complained about the lack of involvement and consultation from the European Commission during such negotiations which could have an impact on their future competitiveness on the EU market. Furthermore, especially because of the sensitiveness of the matter for our agricultural sector the European Parliament should have been fully informed as well during the negotiations. Therefore the Rapporteur invites the Commission to conduct future negotiations under WTO rules (Article XXIV:6 and Article XXVIII of the GATT 1994) in a more transparent way, fully informing the European Parliament and the relevant sectors at all stages and taking into considerations their views, in particular when the negotiations concern sensitive products.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Agreement in the form of an Exchange of Letters between the European Union and the Federative Republic of Brazil pursuant to Article XXIV:6 and Article XXVIII of the General Agreement on Tariffs and Trade (GATT) 1994 relating to the modification of concessions in the schedule of the Republic of Croatia in the course of its accession to the European Union	
References	13037/2016 – C8-0490/2016 – COM(2016)0630 – 2016/0307(NLE)	
Date of consultation / request for consent	1.12.2016	
Committee responsible Date announced in plenary	INTA 12.12.2016	
Rapporteurs Date appointed	José Ignacio Salafranca Sánchez-Neyra 20.2.2017	
Discussed in committee	9.11.2016	24.1.2017
Date adopted	28.2.2017	
Result of final vote	+: 31 -: 1 0: 3	
Members present for the final vote	Laima Liucija Andrikiienė, Maria Arena, Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Christofer Fjellner, Karoline Graswander-Hainz, Heidi Hautala, Bernd Lange, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Artis Pabriks, Franck Proust, Tokia Saïfi, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula, Iuliu Winkler	
Substitutes present for the final vote	Reimer Böge, Klaus Buchner, Sergio Gutiérrez Prieto, Sander Loones, Georg Mayer, Fernando Ruas, José Ignacio Salafranca Sánchez-Neyra, Pedro Silva Pereira	
Substitutes under Rule 200(2) present for the final vote	Jean-François Jalkh, Joëlle Mélin	
Date tabled	3.3.2017	

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

31	+
ALDE	Schaake Marietje, Takkula Hannu
ECR	Campbell Bannerman David, Loones Sander, McClarkin Emma, Starbatty Joachim
EFDD	Beghin Tiziana
ENF	Mayer Georg
GUE/NGL	Mineur Anne-Marie, Scholz Helmut
PPE	Andrikienė Laima Liucija, Böge Reimer, Caspary Daniel, Cicu Salvatore, Fjellner Christofer, Pabriks Artis, Ruas Fernando, Salafranca Sánchez-Neyra José Ignacio, Szejnfeld Adam, Winkler Iuliu
S&D	Arena Maria, Graswander-Hainz Karoline, Gutiérrez Prieto Sergio, Lange Bernd, Martin David, Maurel Emmanuel, Moisă Sorin, Schuster Joachim, Silva Pereira Pedro
VERTS/ALE	Buchner Klaus, Hautala Heidi

1	–
ENF	Mélin Joëlle

3	0
ENF	Jalkh Jean-François
PPE	Proust Franck, Saïfi Tokia

Key:

+ : in favour

- : against

0 : abstentions